

# **EXHIBIT**

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RICK PERRY  
GOVERNOR

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June 17, 2011

TEXAS DEPARTMENT OF  
RURAL AFFAIRS

The Honorable Shaun Donovan  
Secretary  
U.S. Department of Housing and Urban Development (HUD)  
451 7th Street, S.W.  
Washington, D.C. 20410-7000

Dear Secretary Donovan:

As allowed under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act (Public Law 110-329), the Department of Defense Appropriations Act of 2006 (Public Law 109-148), and Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234), I am changing the designation of the state agency responsible for the administration of the Community Development Block Grant (CDBG) disaster recovery funding for Texas to the Texas General Land Office (GLO). This includes all CDBG disaster recovery funding associated with Hurricanes Katrina, Rita, Ike and Dolly.

Changing the designation of the oversight agency will provide more accountability to the disaster recovery program. It will now be overseen by Commissioner Jerry Patterson, a statewide elected official who already is involved in hurricane disaster recovery through the coastal programs GLO operates. GLO has extensive background in the types of fast-paced and closely coordinated activities that the CDBG disaster recovery program demands. The move also will save on administrative costs by eliminating duplicative tasks and expenditures, and will provide a single contact agency for local communities impacted by Hurricanes Ike and Dolly. The role of local partners, especially the critical leadership role of the councils of governments, will remain in place.

To ensure a smooth transition of the program, GLO has been participating in state disaster planning and decision making for the past several months. Key GLO staff members have familiarized themselves with the Conciliation Agreement and have received training on the duties to Affirmatively Further Fair Housing. To ensure that GLO has the institutional knowledge and subject matter expertise, it has committed to hiring disaster recovery staff from

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the Texas Department of Housing and Community Affairs (TDHCA) and the Texas Department of Rural Affairs (TDRA) so those familiar with the program operations will continue at GLO.

This transition of responsibility will take effect July 1, 2011. If you have any questions, please do not hesitate to contact my office.

HUD's new contact at GLO will be:

Mr. Gary S. Hagood  
Deputy Commissioner  
Financial Management  
Texas General Land Office  
P.O. Box 12873  
Austin, Texas 78711-2873  
(512) 463-5053 Office  
(512) 496-2860 Cell  
[gary.hagood@glo.texas.gov](mailto:gary.hagood@glo.texas.gov)

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly stylized font.

Rick Perry  
Governor

RP:kwp

cc: The Honorable Mercedes Marquez, Assistant Secretary, HUD  
The Honorable Jerry Patterson, Commissioner, GLO  
The Honorable Susan Combs, Comptroller of Public Accounts  
Mr. Howard Baldwin, Interim Executive Director, TDRA  
Mr. Michael Gerber, Executive Director, TDHCA  
Mr. Gary S. Hagood, Deputy Commissioner, Financial Management, GLO